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Canada

Agricultural Situation

This Week in Canadian Agriculture, Issue 9 2004

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Report Highlights:

* Agriculture Minister Speller Welcomes Re-Opening of Comment Period on Cattle Rule *
Affirmative Injury Ruling on U.S. Frozen Pizza * Canadian Retail Beef Prices Increased During
2003 * Beef Industry Promotion Arm Launches National Campaign * Temporary Ban on
Poultry From Texas Continues * Update on Avian Influenza in British Columbia * Canada
Remains Top Export Market for U.S. Agricultural Exports

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1]
[CA]

This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

Disclaimer: Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

MINISTER SPELLER WELCOMES RE-OPENING OF COMMENT PERIOD ON CATTLE RULE: Canadian Agriculture Minister Bob Speller said it was "good news" in responding to USDA's re-opening of the comment period on a rule that would amend regulations regarding the importation of animals and animal products from countries – including Canada – with a minimal risk of Bovine Spongiform Encephalopathy (BSE). If finalized, the rule would allow certain classes of live Canadian cattle and other ruminants to be imported into the United States for the first time since May 20, 2003 (the date of Canada's BSE incident). Mr. Speller said he is also encouraged by the possibility of movement on products made from cattle older than 30 months. He opined that since Canada and the U.S. have ensured Specified Risk Materials are prevented from entering the human food chain, there is no reason to restrict trade in older animals or their products. The 30-day comment period for the USDA rule will open March 8 and close April 7.

AFFIRMATIVE INJURY RULING ON U.S. FROZEN PIZZA: On March 2, 2004 the Canadian International Trade Tribunal made a preliminary determination that imports of uncooked frozen self-rising pizza from the United States have caused injury or are threatening to cause injury to the domestic industry in Canada. Canada's Border Services Agency (CBSA) will make a preliminary determination of dumping by April 1, 2004 and anti-dumping duties could be imposed. The anti-dumping investigation was launched in January 2004 when the CBSA initiated an investigation into the alleged injurious dumping of frozen self-rising pizza from the United States. The goods are described as prepared uncooked frozen pizza products containing uncooked self-rising dough and cooked and/or uncooked toppings which typically may include processed vegetables and/or meats and/or poultry and/or cheeses and/or a prepared sauce, put up for retail sale, originating in or exported from the United States of America. The CBSA started the investigation after receiving a complaint filed by McCain Foods Limited of Florenceville, New Brunswick. The Canadian company alleged that the dumping of the goods in question is harming Canadian production by causing price erosion, price suppression and lost sales. See CA4015 and CA4001 for background information

CANADIAN RETAIL BEEF PRICES INCREASED DURING 2003: According to CanFax, a private cattle industry market analysis service, Canadian retail beef prices averaged C\$11.09 per kilogram in 2003, up 1% from a year earlier. In late February 2004, the Canadian Parliament's Standing Committee on Agriculture and Food called beef industry witnesses to testify as part of a study to examine the pricing of beef at the slaughter, wholesale and retail levels, in the context of the BSE crisis in Canada (BSE was discovered in a single beef cow in May 2003 causing serious disruption to Canadian domestic beef markets and to exports). Cattle farmers and consumers have complained that while market prices for live cattle have fallen sharply from their pre-BSE levels, retail prices have not. However, in remarks to the House of Commons Committee, the commissioner of the Competition Bureau, a federal department responsible for the administration and enforcement of the *Competition Act* (and other labeling Acts), claimed that on the basis of the information available to date, (there is) no reason to believe that the *Competition Act* has or is about to be contravened in relation to beef pricing.

BEEF INDUSTRY PROMOTION ARM LAUNCHES NATIONAL CAMPAIGN: During the first weeks of March, the Beef Information Centre (BIC), the promotional arm of Canada's beef industry, will partner with grocery retailers and foodservice to encourage beef consumption. Under the campaign, the BIC will provide retail stores with banners and signage to encourage customers to take advantage of specials on beef. Restaurant chains and food manufacturers will help drive awareness with promotional labeling, special menu items, discounts and coupons. According to the BIC, the organization expects the campaign to keep beef foremost in the minds of consumers, retailers, and foodservice operators and ultimately sell more beef.

TEMPORARY BAN ON POULTRY FROM TEXAS CONTINUES; COMMODITY LIST RELEASED: The Canadian Food Inspection Agency (CFIA) placed temporary import restrictions on live poultry and poultry products from Texas on February 23, 2004 following the confirmation of highly pathogenic avian influenza in the state. The CFIA states that the restrictions are precautionary and temporary. This week, the CFIA released a detailed listing of the restricted Texas commodities which include, but are not limited to, unprocessed feathers, poultry meat and meat products, unpasteurized eggs and egg products, fertilizers, rendered poultry products, and pet foods containing poultry or feather meal. Permissible commodities imported from Texas include, but are not limited to, certain dry mix products and extracts, certain canned pet foods containing poultry products and certain cooked edible poultry meat and egg products. For a complete listing of restricted items and exemptions, go to the following CFIA webpage :
<http://www.inspection.gc.ca/english/anim/hasan/disemala/avflu/acceptavie.shtml>

UPDATE ON AVIAN INFLUENZA IN BRITISH COLUMBIA: In late February 2004, the Canadian Food Inspection Agency (CFIA) confirmed the presence of low pathogenic H7 avian influenza virus on a farm in British Columbia. The CFIA reports this week that the disposal of the approximately 16,000 exposed birds in British Columbia is complete. The CFIA reports that Japan, Singapore, China, Malaysia, Peru, Brazil and South Korea have suspended the import of various poultry products from Canada, including live birds and poultry products. Romania, Mexico, Russia, Barbados, Philippines, Poland and Hong Kong have limited their ban to poultry commodities from British Columbia.

CANADA REMAINS TOP EXPORT MARKET FOR U.S. AGRICULTURAL EXPORTS: For the second year in a row, Canada was the top destination for exports of U.S. food and agricultural exports in 2003. Total U.S. agricultural exports to Canada during 2003 reached a record \$9.3 billion, more than 7% above the 2002 level and \$365 million more than to Japan, the number two destination. Half of total U.S. exports of fresh fruits and vegetables (\$3.6 billion) are shipped to Canada. Further, the importance of trade with Canadian provinces cannot be underestimated. With regard to agricultural trade, if Ontario, British Columbia and Alberta were countries they would rank, respectively during 2003, as the 4th (\$5.8 billion), 7th (\$1.3 billion) and 16th (\$650 million) largest individual markets for U.S. agricultural exports.

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CA4013	Grain and Feed Annual Report	2/24/2004
CA4012	This Week in Canadian Agriculture, Issue 7	2/18/2004
CA4011	This Week in Canadian Agriculture, Issue 6	2/13/2004

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